

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF INSURANCE
233 RICHMOND STREET
PROVIDENCE, RHODE ISLAND 02903**

CONCISE EXPLANATORY STATEMENT

Insurance Regulation 12 – Senior Protection in Annuity Transactions

The Department of Business Regulation (“Department”) hereby adopts Insurance Regulation 12 effective February 1, 2006 and makes this statement in accordance with R.I. Gen. Laws § 42-35-2.3. The Department adopts this regulation in order to enact safeguards for seniors in annuity transactions. The regulation is based upon National Association of Insurance Commissioners Model 275. There is one difference between the text of the proposed regulation as published in accordance with R.I. Gen. Laws § 42-35-3 and the regulation as adopted. This difference is:

1. In accordance with the request of AXA Equitable Life Insurance Company, the Department has designated that the effective date of this regulation will be more than ninety days from its adoption to allow time for insurers to conduct training and produce and distribute forms.

One comment made an exhibit at the hearing with was considered and rejected. That comment was:

1. American Counsel of Life Insurers objected to the reference in section 3 to R.I.G.L. § 7-11-101 *et seq.* characterizing the same as “ceding authority to a non-insurance regulator.” This is the only portion of the Regulation that is not drawn from the NAIC model. The Department does not intend by this reference to “cede authority,” rather, the reference is to indicate that there is concurrent authority with Securities laws in Rhode Island and that primary enforcement with regard to situations in which both Securities and Insurance jurisdiction exist will be under the Securities laws. The Department does not have the ability to alter the Securities laws by regulation and the only effect of this reference is to place all persons on notice of their existence and to indicate which regulatory enforcement authority will be primary when a violation is discovered.